

## General Government

<u>Operating Budget</u>	<u>FY1993</u>	<u>FY2003</u>	<u>Annual %Chg</u>	<u>Total %Chg</u>
<i><b><u>By Department or Division</u></b></i>				
<b>Administration</b>	<b>\$45.1</b>	<b>\$42.2</b>	<b>(0.7%)</b>	<b>(6.4%)</b>
Administration	19.9	24.3	2.0%	22.2%
Bldg Fund Adv. Council	23.3	17.7	(2.7%)	(24.3%)
Capitol Comm.	---	.2	---	---
Personnel Comm.	1.9	---	---	(100.0%)
<b>Attorney General</b>	<b>7.5</b>	<b>14.4</b>	<b>6.8%</b>	<b>93.6%</b>
<b>Controller, State</b>	<b>9.3</b>	<b>11.8</b>	<b>2.5%</b>	<b>27.4%</b>
<b>Governor, Exec. Off.</b>	<b>45.5</b>	<b>61.7</b>	<b>3.1%</b>	<b>35.6%</b>
Aging, Comm. on	7.6	10.9	3.6%	42.5%
Blind & Visually Impaired	2.5	3.6	3.8%	44.9%
Financial Man., Div. of	1.3	2.1	5.4%	69.7%
Governor's Office	6.6	2.1	(11.0%)	(68.7%)
Human Resources, Div. of	---	2.7	---	---
Human Rights Comm.	.5	.8	5.0%	62.6%
Insurance Fund, State	7.4	---	---	(100.0%)
Inv. Board, End. Fund	.4	---	---	(100.0%)
Liquor Dispensary, St.	7.9	10.1	2.4%	27.2%
Military Division	9.1	20.5	8.4%	124.7%
Public Empl. Ret. System	2.2	6.1	10.7%	176.1%
Species Cons., Office of	---	2.8	---	---
Women's Commission	.0	.0	4.6%	56.4%
<b>Legislative Branch</b>	<b>7.7</b>	<b>11.0</b>	<b>3.6%</b>	<b>43.1%</b>
<b>Lieutenant Governor</b>	<b>.1</b>	<b>.1</b>	<b>3.1%</b>	<b>35.8%</b>
<b>Revenue &amp; Taxation</b>	<b>17.1</b>	<b>29.2</b>	<b>5.5%</b>	<b>70.8%</b>
Tax Appeals, Board of	.1	.3	16.7%	369.7%
Tax Commission, State	17.0	28.8	5.4%	69.6%
<b>Secretary of State</b>	<b>3.3</b>	<b>3.8</b>	<b>1.5%</b>	<b>15.7%</b>
Arts, Comm. on the	1.4	1.5	1.0%	10.3%
Secretary of State	1.9	2.3	1.8%	19.6%
<b>Treasurer, State</b>	<b>1.1</b>	<b>5.4</b>	<b>17.0%</b>	<b>382.6%</b>
Treasurer, State	1.1	1.8	4.9%	60.6%
Id. Millennium Fund	---	3.6	---	---
<b>Total</b>	<b>\$136.6</b>	<b>\$179.6</b>	<b>2.8%</b>	<b>31.5%</b>

*Numbers Displayed in Millions of Dollars and May Not Add Due to Rounding*

### **By Fund Source**

General	\$41.7	\$77.2	6.4%	85.2%
Dedicated	75.6	75.7	0.0%	0.2%
Federal	19.3	26.7	3.3%	38.1%
<b>Total</b>	<b>\$136.6</b>	<b>\$179.6</b>	<b>2.8%</b>	<b>31.5%</b>

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- ◆ Approximately \$80 million in **Permanent Building Fund** projects was put on hold in FY 2002 as a contingency plan to balance the state budget. House Bill 701 authorized the state Board of Examiners to access up to \$80 million in Permanent Building Fund moneys to transfer to the General Fund. The fiscal note for HB 701 defines the priority sequence and the order in which construction projects will be eliminated if permanent building funds are needed to balance the budget. (See page 78 of Fiscal Facts for the priority list).
- ◆ The 1998 Legislature passed legislation which made the **State Insurance Fund** an "independent body corporate politic" much like the Idaho Housing Authority. As a result, the State Insurance Fund is no longer part of the Office of the Governor and its funding is no longer subject to review and appropriation by the Legislature.
- ◆ **Office of Species Conservation:** The Office of Species Conservation was created by SB 1490. The appropriation for this new office, which was established within the Office of the Governor, authorized five positions, beginning May 1, 2000, and provided a General Fund appropriation of \$510,000. The fiscal year 2003 appropriation contains six positions, \$562,900 in General Funds, \$15,000 in spending authority for receipts and \$2,188,000 for federal funds.

## Permanent Building Fund / Capital Budget

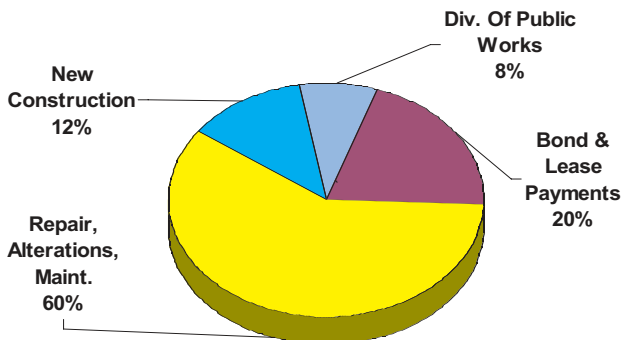
### *Historical Sources of Revenue*

<b>Revenues</b>	<b>FY 99</b>	<b>FY 00</b>	<b>FY 01</b>	<b>FY 02</b>	<b>FY 03 est.</b>
Income Head Tax	4.7	5.3	5.6	5.5	6.7
Cigarette Tax	6.7	6.5	6.3	6.1	6.0
Beer Tax	1.2	1.2	1.2	1.3	1.3
Sales Tax <sup>1</sup>	0.5	0.5	5.0	5.0	5.0
Lottery	10.8	10.5	10.0	9.0	7.8
Budget Res. Interest	1.9	2.0	2.9	3.4	1.1
PBF Interest Earnings	0.0	2.9	3.0	6.2	3.1
<b>Subtotal</b>	<b>25.8</b>	<b>28.9</b>	<b>34.0</b>	<b>36.5</b>	<b>31.0</b>
General Fund money	2.0	1.0	65.0	0.3	0.0
<b>GRAND TOTAL</b>	<b>25.8</b>	<b>29.9</b>	<b>99.0</b>	<b>36.8</b>	<b>31.0</b>

<sup>1</sup> SB 1533, Laws of 2000, increased the sales tax distribution to the Permanent Building Fund from \$500,000 to \$5 million effective July 1, 2000. This is the first time that the sales tax distribution into the PBF has been increased since Idaho began collecting sales taxes in 1965.

<sup>2</sup> SB 1505, Laws of 1998, enabled the Permanent Building Fund to keep its interest earnings. These earnings had been paid to the General Fund in previous years. FY 2000 was the first budget year to be impacted by this law change.

### **FY 2003 Permanent Building Fund Appropriation \$24,629,800**



- ◆ A 5-person Advisory Council directs the Permanent Building Fund. Its membership consists of two legislators (one each from the House and Senate), one banker, one contractor and one member of the business community.
- ◆ Lottery profits are split 50-50 between the Permanent Building Fund and public schools.

## Permanent Building Fund

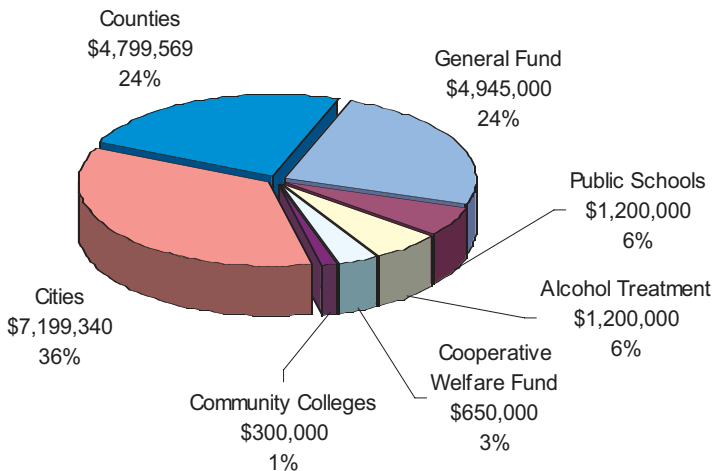
### *Project Description & Order of Elimination*

H.B. 701 authorized the Board of Examiners to access about \$80 million in Permanent Building Fund moneys to transfer to the General Fund if needed to balance the state budget. The fiscal note for HB 701 defines the priority sequence and the order in which projects will be eliminated if such funds are needed to balance the budget. As of the end of August 2002, the Board of Examiners had canceled approximately \$68 million in construction projects, and the Governor had recommended cancelling the remaining \$13 million. The priority sequence is listed below.

Correction--SICI Med. Bldg..	\$ 949,000	\$ 949,000
Lava Hot Spgs.--Dressing Rms.	382,800	1,331,800
Dept. of Labor--IAB remodel	890,000	2,221,800
Health & Welfare--SHN Training Ctr.	340,000	2,561,800
Dept. of Lands--Guard Station	490,000	3,051,800
ISP--Combine Office (Meridian)	2,249,000	5,300,800
Blind Comm--New Location.	1,500,000	6,800,800
Hist. Society--Hist. Ctr Phase 2	4,613,000	11,413,800
Statewide Microwave	2,052,000	13,465,800
Water Resources--New Bldg. Plans	300,000	13,765,800
East Id. Tech.--Nursing Bldg. Plans	60,000	13,825,800
East. Id Tech.--Maint. Bldg.	233,000	14,058,800
Correction--women's work ctr.	3,900,000	17,958,800
ISP: Post Academy	2,286,000	20,244,800
North Id. College--Life Sci Bldg	10,994,000	31,238,800
ISU--Classroom bldg	12,177,000	43,415,800
Hist Soc.--Museum, Phase 2	1,000,000	44,415,800
BSU--BSU West	8,655,000	53,070,800
Univ. of Idaho--Teaching Ctr.	11,729,000	64,799,800
CSI--Fine Arts Addition	5,402,000	70,201,800
LCSC--Campus Activity Ctr.	10,868,000	81,069,800

## FY 2001 Distribution of Liquor Dispensary Earnings

**Total- \$20,293,900**



### Statutory Profit Distribution Formula:

Annual fixed distributions totaling \$8,295,000 to General Fund, Public Schools, Alcohol Treatment Fund, Cooperative Welfare Fund and Community Colleges.

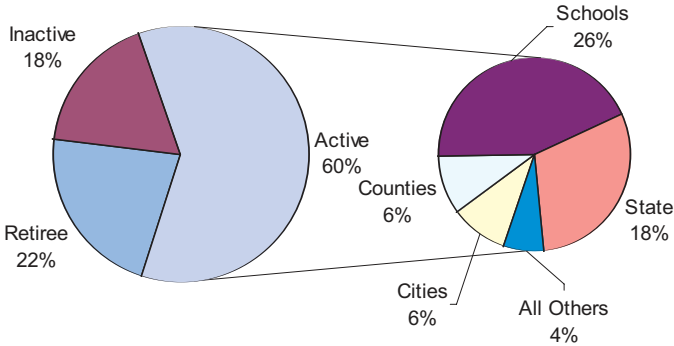
Remainder of profits distributed as follows:

- ◆ 40% to counties in proportion to sales in each county.
- ◆ 60% to cities as follows:
  - ▼ 90% to those incorporated cities with liquor stores in proportion to sales.
  - ▼ 10% to those incorporated cities without liquor stores in proportion to population.

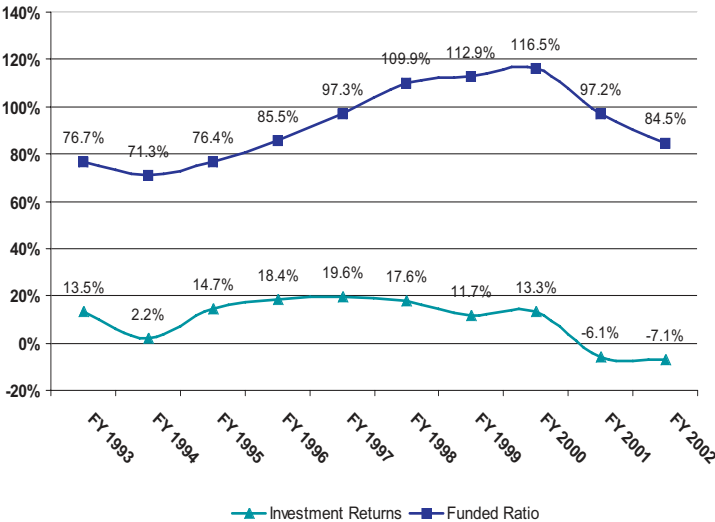
*Note: Legislation in 2000 transferred \$1.0 million to the Permanent Building Fund.*

# Public Employee Retirement System of Idaho

**638 employer units belong to PERSI, for a total system membership of 101,341 (6/31/01)**



## Funded Ratios and Investment Returns



The PERSI fund experienced a -7.07% return on investments in FY 2002, which equals -\$483 million in net investment loss. As of July 1, 2002, the PERSI fund was valued at over \$6.29 billion, down from \$6.71 billion the prior year. This is the second consecutive year of returns substantially below the actuarial assumed return of 8%. This exceeds the one standard deviation reserve, and may necessitate an increase in contribution rates as required by law.